



TITLE:

Conclusion

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CITATION:

Mori, Akihisa. Conclusion. 2020: 1-6

ISSUE DATE:

2020-09

URL:

<http://hdl.handle.net/2433/254711>

RIGHT:

Conclusions

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1. Democratization, Decentralization, and the Environment

In the Introduction, I presented the Environmental Kuznets Curve hypothesis, which assumes that economic development will foster democratization and political liberalization, bringing in turn policy change for environmental protection and/or sustainable development. I also pointed out that, logically, democratization and decentralization have both positive and negative impacts on the environment. On the positive effects, democratization enables citizens to voice their concerns and their claims can be heard and negotiated; interests and alternatives can be balanced in a fair and transparent manner. Citizens can reflect environmental concerns quickly in elections and/or protests to the government. Decentralization enables local governments to take account of local differences in culture, environment, endowment of natural resources, and economic and social institutions, and increases local participation and the building of social capital, thus enhancing the effectiveness and ownership of environmental management. On the negative effects, democratization may skew the outcomes of policy debates and decision-making processes toward business interests, and does not often bring outcomes that coincide with ecological value. Under decentralized management, the problem of corruption afflicts local governments more than central governments. In addition, decentralization makes it difficult to gain economies of scale in the supply of local goods; to gain agglomeration economies in attracting qualified people and experts; and to supply local public goods that have interjurisdictional externalities.

These negative impacts are likely to occur when nations place a higher priority on economic growth than the environment. Under democratic regimes that are strongly influenced by business interests, developmental states tend to adopt policies that maximize specific business interests rather than general public benefits. They are unwilling to take environmental concerns into decision-making seriously and to integrate them into development policies and strategies.

Thus, the impact of democratization and decentralization on environmental governance depends on the extent to which the state enhances participative, integrative, and strategic capacities and facilitates a thriving civil society, where the relevant governmental and non-governmental actors participate in the decision-making process cooperatively, and where local governments enhance capacity, incentives, and commitment toward environmental management.

The key questions of this book are:

- Do democratization and decentralization go in hand with economic development?
- What are the outcomes of democratization and decentralization in terms of institutions for decision-making?
- What are the outcomes of democratization and decentralization in terms of environmental governance?

2. Features of Democratization and Decentralization in East Asia

East Asian countries had long adopted developmental authoritarian regimes that gave the highest priority to such interests as unity of the nation, the boosting of national prestige, and economic growth, while sacrificing the interests of individuals, families, local communities, or ethnic minorities (Suehiro, 1998). They have been reluctant to effectively embody democratic principles in decision-making, and have even reversed them when outside pressure became small enough to disregard, choosing to pay more attention to other political and economic pressures. Constitutions, laws, regulations, and courts were established, but they were often used to push government policies and programs rather than to protect the liberal and democratic rights of the citizen. Governments often solved problems by compromise, political negotiation, and suppression rather than through legality and rationality.

Democratic movements pushed the transition in East Asia to democratic regimes in the 1980s and 1990s. Except in China, these movements succeeded in establishing liberal and democratic rights and several institutions that work to ensure these rights in the constitution. However, they failed to realize rational and democratic decision-making that emphasizes participation, accountability, and transparency. These rights are protected only as long as they do not contradict government policies. Governments applied the authoritarian approach to deal with environmental problems. The authoritarian approach is different from administrative rationality in that it attaches little importance to scientific knowledge and experts. It faces more serious implementation deficits, which tends to encourage superficial rather than fundamental solutions. Citizens and victims supported environmental movements, not only in order to protest the large projects that threatened detrimental impacts on the environment and on local society, but also to support the role of environmental ministries in developing policies and institutions that would make government institutions subject to environmental laws, regulations, and procedures.

There have been few, if any, movements that sought decentralization in East Asia, except in Indonesia, where several provinces sought independence. All the nations examined in this book have a non-federal system. However, the motivation and extent of decentralization varies from country to country. Japan, South Korea, Taiwan, and Thailand have decentralized authorities and fiscal resources for the purpose of overcoming the implementation deficits of the authoritarian approach, but as far as under the control of the central government. They allocate a small portion of central revenue sources to local governments through intergovernmental fiscal transfer mechanisms so that the central government can exert control over local governments. By contrast, Indonesia devolved authority and revenue sources in order to prevent the independence of several provinces. Thus, authority and revenue sources are devolved to regencies and municipalities instead of provinces in order to prevent the latter from having too much power. Human resources were also transferred to these local governments to enhance administrative capacity. China's reform is mostly motivated by the transition toward a market economy and by its accession to the World Trade Organization. The government has devolved fiscal and economic decision-making responsibilities to the lower levels of government, making each level of government financially independent, and transferred administrative

responsibilities to local governments. It separated administrative functions to decision-making, enforcement, and supervision, and added external inputs from society, the media, the People's Congress, and political consultative conferences (Wu and Wang, 2007) to enhance the accountability and transparency of the administration. On the other hand, the central government centralized fiscal revenues, taking over major revenue sources from local governments while paying “compensation” to them.

Such democratization and decentralization have brought little change in policy priorities: East Asian nations continue to place priority on economic growth as an important tool for maintaining the unity of the nation. Most of the nations now takes environmental and social concerns into consideration, but to a varied extent and have been compromised to economic growth policy. Globalization pushes governments to take growth-oriented policies to enhance international competitiveness of industries, as most of the nations rely on export as an engine of economic growth. These governments have responded to pressure from international business over lifting or making transparent regulations and procedures. This pressure brings mixed outcomes on the impacts of democratization and decentralization.

3. Impacts on Environmental Governance

3.1 Impacts of Democratization

We find several common features in the way that democracy functions to enhance environmental governance in East Asia. First, democratization opened political opportunities for civil society to organize massive environmental movements, and for the mass media to cover and even criticize environmental accidents and pollutions. As seen in Japan, South Korea, and Taiwan, environmental movements made the general public recognize that environmental problems threatened their health, and thus environmental protection became recognized as a generalized interest. This change in recognition placed social pressure on the government to establish laws, regulations, and organizations for the environment.

Second, democratization does not by itself bring the pluralistic, participatory environmental decision-making, access to information, and justice that are essential components of democratic environmental governance. All the nations in this book adopted centralized, hierarchical, and closed administrative institutions of environmental decision-making, though Japan, South Korea, and Taiwan managed better in overcoming implementation deficits in terms of rapid reduction the emissions of a limited number of pollutants from existing sources.

In addition, democratization of the decision-making process swings the pendulum back and forth, reflecting the relative power of environmental movements and the impetus for development in Japan, South Korea, and Taiwan. As developmental states with centralized, hierarchical, and closed administrative institutions, they initiated or gave concessions to large-scale development projects and/or environmental projects without taking social and environmental impacts into consideration. Even climate change mitigation and adaptation can be a good reason for initiating government-sponsored development projects, as shown by the Lee Myung-Bak government in South Korea. His

government is even criticized for breaking democratic institutions that had been built over a decade. These development projects have raised protests, but brought varied outcomes. In Taiwan, environmental organizations brought cases to court, seeking the public interest against development projects. The courts not only qualified them as plaintiffs, but also admitted the public interest and ordered suspension of the projects. In South Korea, environmental organizations got wider support from the public, but faced difficulty in stopping government-supported development projects, as seen in the Saemangeum reclamation projects. In Japan, it was not until the 1990s, when the fiscal deficit worsened, corruption was uncovered, and government ministries were found to have concealed information that several government-supported development projects were suspended and the Environmental Impact Assessment Act and Freedom of Information Act legislated. The Act on Promotion of Specified Non-profit Activities was legislated to enhance the activities of civil society, but with the expectation that civil society would supplement government activities. Still, it is difficult to stop large-scale projects with serious environmental and social impacts and with decades of debates, because these projects have created strong, sometimes institutional vested interests.

Third, environmental movements turned from brutal to sophisticate where environmental improvement was accompanied by democratization. Local people and groups made violent protests against the sources of environmental degradation, and the media sometimes covered them. Authoritarian governments learned international best practices in adopting environmental policies, but they were not serious about implementation, or took an administrative approach and faced implementation deficits, as seen in the early period of environmental governance in all the nations. This made protests more organized but sometimes more violent. However, violent environmental movements lost wider support where people perceived visible environmental improvement. By contrast, protests and the media are under the strict control of the government in China. The government does not allow such protest movements to unite into massive environmental movements for fear that they turn into protests against the government. A few social elite-led protests have succeeded in stopping development projects, but they have not evolved into environmental organizations that support similar protests. Many protests are contained as local issues, gaining little support from experts and outside organizations and suppressed by local governments that pursue local economic growth, so that they finally resort to violence.

Finally, democratization is not the sole driving force enhancing environmental governance. Multilateral environmental conventions and agreements, as well as international certificates, have provided another impetus. It gave new environmental challenges to industries on the one hand and, due to the similarity of the problem structure, offered opportunities for political leaders to learn the policies of advanced countries and for civil society to collaborate with transnational NGOs. Japanese and South Korean industrial federations voluntarily committed to meeting global environmental challenges. Many companies in Japan, South Korea, and China have obtained the ISO 14001 certificate, as the European Union requires it as a condition of doing business. Dispersed environmental organizations have started to collaborate with each other, to develop their capacity as advocacy tanks, and to organize environmental policy networks against official development

assistance and climate change.

3.2 Impacts of Decentralization

Decentralization, or decentralized environmental management, helped overcome implementation deficits in Japan, South Korea, Taiwan, and Thailand, but to varied extents and periods of time. In Japan, decentralized institutions enabled several local governments to initiate innovative industrial pollution control measures, though this also accelerated competition over attracting industries and obtaining subsidies among them, bringing environmental degradation. In South Korea, decentralization has worsened the NIMBY syndrome, while promoting cooperation among local governments on watershed management. In Thailand, decentralization helps local governments and communities to initiate environmental activities, though it has not rendered control of industrial pollution.

By contrast, decentralization has brought adverse impacts in China and Indonesia. In China, increasing administrative responsibilities alongside financial independence have forced local governments to seek revenue from land development and industrial investments. Local governments have initiated land development with only small compensation to those forced to relocate, and with little attention paid to environmental impacts. In Indonesia, decentralization, alongside IMF-imposed economic liberalization policies, gave an opening for local governments to exploit natural resources, especially in giving concessions to timber industries without strict monitoring. As local governments have limited capacity for environmental governance, and as Act No. 22, 1999 on Local Government prohibits the central government from providing assistance to local governments, many local governments have no way to enhance their capacity. The only way is to contract out the provision of public services such as water, wastewater treatment, and solid waste management. Contracted companies often raise tariffs, which has raised protests and eroded the existing environmental capacity of large local governments.

4. Implications and Future Perspectives

East Asia shows that the Environmental Kuznets Curve hypothesis does not provide an adequate framework for explaining the causal relationship between economic development, democratization, environmental policy and governance, and the state of the environment. Economic development potentially increases the pressure for political liberalization and decentralization, but the real cause, motivation, and process are quite different from theoretical arguments, and are even divergent among East Asian states. While environmental degradation has been attributed to economic policies and political forces, continuous economic development and various political reforms have also reinforced environmental awareness and institutions.

East Asian nations have taken advantage of the positive impacts of democratization and decentralization. Many nations are in transition toward pluralistic, participatory environmental decision-making processes and ensuring access to information and justice, but only gradually and to varied extents. Governments may challenge these democratic institutional arrangements, promoting

development projects for the benefit of business interests and/or economic growth as a national priority. They may even prevent the transition under strong pressure from vested interests. Civil society may lose its environmental concern when it perceives no more environmental threats.

In this sense, we should recognize that democratization and decentralization have merely opened political opportunities for civil society to change existing centralized, hierarchical, and closed administrative institutions. Democratization and decentralization do not by themselves bring pluralistic, participatory environmental decision-making and increased access to information and justice. The environmental capacity of civil society must be enhanced, especially that of environmental organizations, so that they can organize environmental policy networks that consist of civil activists, experts, business leaders, and government environmental officers to counter business interests and to support environmental policy-making.

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